material injury to the domestic industry and causal link between the two. The exporters concerned with this investigation have the opportunity to provide information in the questionnaire prescribed and to attend and forward their views in the Public Hearing by the Designated Authority.

The bilateral mechanisms in place between India and China, such as the Joint Commissions, Working Group on Trade, provide the forum for dealing with any bilateral issue between the two countries including anti-dumping cases.

Expansion of list of duty free imports by U.S.A.

720. SHRI VAYALAR RAVI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether U.S. President has expanded the list of imports from developing countries than can enter U.S. duty free;

(b) whether a major hurdle has cropped up in the way of India's Rs. 1,000 crore carpet exports to U.S. as this key product has been deleted from the list of the items eligible for duty free import into U.S.;

(c) whether a number of countries have gained by this decision;

(d) if so, to what extent it would be a loss to India;

(e) whether this issue has been taken up with the U.S. Government; and

(f) if so, what is their reaction?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI SATYABRATA MOOKHERJEE): (a) Yes, Sir.

(b) According to a notice issued by US Trade Representative (USTR) on 01.07.2003 Indian carpets classified only under HTS Sub-heading 5702.99.20 (Carpets and other textile floor covering not of pile construction, woven) have graduated out of the US Generalized System of Preferences (GSP) Scheme. There are many other carpet products that still enjoy US GSP concessions.

(c) and (d) The total import of this item into USA is about US $ 15 million, which is a small amount compared with our total carpet

exports to US of about US $ 250 million. Therefore, no significant effects are envisaged on the domestic carpet industry from withdrawal of GSP concession on this item.

(e) and (f) The Government had filed a petition in the office of USTR, but since this product had exceeded the competitive need limitation, de-minimis waiver was not admissible as per US Law.

Fresh Tariff concessions to China

721. DR. M.N. DAS: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India has offered fresh tariff concessions to China on a number of items as part of the strategy to boost the trade ties;

(b) if so, whether after the agreement reached with China, Government have decided to have 10 year excise relief for new units in Sikkim and new units engaged in 13 specified industrial activities and commencing production on or after December 23, 2002 in Sikkim would be entitled to a 10 year excise exemption; and

(c) if so, to what extent this would give a boost to the trade between the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI SATYABRATA MOOKHERJEE): (a) Under the Bangkok Agreement, as part of China's accession procedures, it has been decided that India will extend concessions on 106 items, on which tariff concessions are already given to other Bangkok Agreement member countries, *i.e.* Bangladesh, Republic of Korea, and Sri Lanka.

(b) and (c) Government has issued notification dated 25.6.03 granting exemption from excise duty for ten years to new units and units which have undertaken substantial extension in Sikkim engaged in 13 specified industrial activities commencing production on or after December, 23, 2002. This exemption has been granted in accordance with the new industrial policy for the State of Sikkim and is not related to any tariff concessions to China.